

POVERTY, REHABILITATION AND ECONOMIC
TRANSFORMATION: The Case of Mozambique

By Reginald Herbold Green*

We must learn to look
Our mistakes squarely in the face
Lest we fall into repeating them.

- Rui Baltasar Santos
Former Finance Minister, Mozambique

A Luta Continua! (The struggle continues)

- Mozambican Mobilizing Theme

Introduction

Mozambique is one of the poorest countries in the world with GDP per capita estimates of \$150 to \$100. It has one of the highest ratios of absolute poverty to population at nearly 60% (and up to two-thirds rural and refugee). Over 1971 - 1985 it saw its per capita output fall by over half before a limited 1986-90 recovery. National food availability shortfall is probably 30%. It is one of the most war devastated countries in recorded history and the resultant losses of output and life continue and menace the peace which is being won, because investment and maintenance not made or destroyed, like a decade of blocked health service improvement, are not restored by the ending of (to date drastic reduction in) the targeted sabotage and mass terrorism which caused them. In addition the personnel capacity of the public service is very low (as is the overall size of its civilian component); total non-military and non-emergency survival by the state are about 36% of World Bank 'Long Term Perspective Study' norms; and the ways "donors" and "cooperants" operate is steadily decapitating the government both as to personnel and as to ability to analyse, select, coordinate or monitor policy and performance.

* Professor Green wishes to stress that although he is Acting Senior Social Policy Advisor to the Ministry of Planning of Mozambique and has served as Consultant to the Ministry of Finance of Mozambique, the responsibility for the views and analysis on this paper are his. They do not necessarily reflect those of the Government of Mozambique, of UNICEF, of the World Bank or of ODA.

Table 1Rough Basic Data: Mozambique

	<u>1971</u>	<u>1973-74</u>	<u>1976</u>	<u>1980</u>	<u>1986</u>	<u>1990</u>
A. <u>GDP/Capita</u> (Index)	100	90	80	85	45	50
B. <u>Food Balance</u> (tonnes-grain equivalent)				<u>1980</u>	<u>1990</u>	
Required*				4,750,000	5,250,000	
Produced				4,000,000	3,000,000	
Imported				150,000	650,000	
Deficit				600,000	1,600,000	
				(12½%)	(30%)	

* For national 100% of minimum standard calorie requirement.
Assumes 10% growth people in Mozambique over decade.

C. <u>Population 1990</u>	<u>In Mozambique</u>	<u>Refugees</u>	<u>Total</u>
High	15,000,000	1,250,000	16,250,000
Adjusted*	14,000,000	1,250,000	15,250,000

* For 1,000,000 "excess" deaths related to war.

D. GDP/Capita 1990

* \$ 150

* Ad hoc adjustment to inconsistent valuation (in Mt) of domestic - especially household self-provisioning - output. With no such adjustment World Bank estimates at \$ 100.

Table 2Cost of War 1980 - 1988¹A. GDP (\$ 000,000 at 1988 Prices)

	<u>1988</u>	<u>1980-88</u>
Lost GDP ²	3,000	15,000
Actual GDP ²	2,250	21,000 ¹
Ratio Lost To Actual	133%	71%
Ratio Lost To Non-War ³	57%	42%

¹ Methodology in sources cited.

² Very serious calculation and conversion to \$ problems arise because of state of Mozambican national accounts and trajectory of exchange rate.

³ Non-War GDP estimated as in sources cited.

B. Lives⁴1980-88

Infants/Young Children	494,000
Other Health Related ⁵	56,000
Famine ⁵	150,000
Direct/Indirect War Casualties ⁶	<u>200,000</u>
Total	<u>900,000</u>

⁴ Methodology in sources cited. Contrasts actual Infant and Under 5 Mortality with probable levels had war not reversed 1975-1980 primary-mother-child health care build-up.

⁵ Source lumps malnutrition related/famine plus vaccination at 175,000. Other health service destruction related very rough estimate of 31,000.

⁶ Mozambican estimates of 100,000 for 1975-85 and Gersony Report (USA) for 100,000 roughly over 1983/87 based on interviews with refugees are both overlapping and incomplete. 1986-88 deaths are clearly underestimated and represent a period of intense fighting and banditos terrorism. A tentative total of 175,000 to 180,000 civilian and 20,000 to 25,000 combatant deaths is probably realistic.

Sources Used:

UNICEF, Children On The Front Line, New York, 1989.

UN Economic Commission for Africa/Inter-Agency Task Force Africa Recovery Programme, South African Destabilisation: The Economic Cost of Frontline Resistance to Apartheid, Addis Ababa/New York, 1989.

That is a grim summary but not an exaggerated one. Without a recognition of these basic contextual facts almost any prioritisation and action selection is likely to be grossly impracticable or to have quite unexpected (not necessarily unpredictable) results. It is not to be taken as advice to treat Mozambique as a case to be excluded from treatment on triage grounds for five reasons:

1. No such option is open to Mozambicans;
2. Mozambique has demonstrated a great determination to survive and to make its "dream" of liberation and progress to modest prosperity live and that will has to date prevailed even if many Mozambicans have perished;
3. Despite its material and personnel weaknesses - and one of the world's least able to act bureaucracies - Mozambique has achieved initial successes in rehabilitation and reconstruction (including 4% to 6% annual post 1985 food production and GDP growth rates) and has more dynamic national political and social processes than many other countries;
4. Mozambicans are well aware of the decapacitating impact of "donors" and "cooperants" ("doadores" and "cooperantes" in Portuguese often have a sardonic ring as pronounced in Maputo); have a strong will to regain freedom of manoeuvre and a record of using logic and diplomacy to good effect externally even when their objective base from which to bargain has been very weak;
5. The war against the bandidos armados who call themselves Renamo has from the end of 1987, increasingly been being won - peace is a prospect which requires programming if new needs and problematics are not to overwhelm the potentially tremendous gains from renewed security and reduced war costs.

What is clear is that neither restoring 1980 and "The Plan of all our dreams" or the 1971 high noon of Portugal's "Provincia de Mozambique" is either practicable or desirable. Many subsequent changes - at home and abroad - are irreversible and, in any event, the dynamics of 1971 and, to a lesser degree and in different ways, 1980 were fatally flawed. But "stabilisation" by cutting back offers no way to regain a base for a new

start nor does "structural adjustment" of the type moderately successful (at least for 5 to 10 years) in less devastated countries/economies such as Ghana. Radical restructuring with a focus on rehabilitation of the livelihoods and social units of the directly war dislocated and other absolutely poor families is almost certainly essential to macroeconomic, political or social stability and growth. If it cannot be achieved Mozambique economically will remain what its macro external account, fiscal and food data tell us it is today - a broken body insecurely hooked to a life support machine drifting into and out of coma. Unfortunately such a priority requires reorganising government services, planning and capital/recurrent interactions in ways very difficult for colonial or post-colonial traditions, habits of outlook and patterns of action of the public service (or the world view plus practices of "donors" and "cooperants") to adapt themselves.

A Brief Historical Backdrop

Mozambique's economy has been shaped by Portugal; by the nature of the transition to independence; by the war of aggression organised and driven by South Africa over 1981-90 and by the perceptions, prognostications and priorities of its external sources of finance. There is a very real sense in which - except for 1977-80 - Mozambican input has always been a resistance or liberation movement.

Mozambique's colonial political economy was until the late 1950s largely a seller of services - transport, labour and tourism (and after 1970 electricity) - to its South African, Rhodesian and Nyassaland neighbouring economies. Only over 1955-70 did Portugal find the resources and priorities to build up settler production (partly to enhance security by raising the white population) and secondary industry. Despite a near total lack of public services to (as opposed to exactions from) sector familial (peasant) agriculture, it provided up to two-thirds of agricultural exports and up to a half of commercialised food production. Education and health for black Mozambicans were exiguous up to the day of independence even by colonial standards.

The transition to independence was marked by the rapid exodus of 90% of the Portuguese ancestry residents of Mozambique - leaving most posts from

locomotive drivers, crane operators, mechanics and secretaries on vacant. Further, the Portuguese post Caetano state nationalised nearly everything in sight vaguely telling Mozambique to take over any bits which happened to be there.

The priorities of the first years were to maintain key operations, to prevent the collapse of the modern sector (including plantation and ex-settler agriculture) and to lay the base for broad access health, education and water services. The huge, centralised state enterprise sector was initially pragmatic - to collect abandoned units, the spin offs of Portuguese nationalisations and the mismanaged or ripped off private firms heavily indebted to Mozambican banks. In general centralisation related to economising on very limited numbers of high level personnel. The rationalisation toward a particular form of socialism, industry centrism, large scale enterprise, urban focus, and modernisation was initially a gloss on pragmatic crisis management and only time (and GDR "cooperants" - plus Nordic, and other, aid bureaucracies) turned it into an articulated rhetoric and continuing practice toward implementing Frelimo's goals (or at least toward attempting their implementation).

Over 1977-80 the pragmatic crisis management paid off. Most services and enterprises ran and output recovered, ultimately at 5% a year. The cost of the rationalisation of pragmatism into rigid principles - and of never launching a systematic retraining (remedial training) programme for serving public personnel - were not fully visible while the wear and tear of deferred physical and institutional maintenance had not reached (or been seen to reach) crisis point. The 1980-90 Plan was over-ambitious (especially as to institutional and personnel resources), over-centralised and lacked any real sector familial component. Whether its reasonably well handled basic goals could have been held to; its aberrations eroded and its gaps filled had peace and a 5% growth rate continued, will be forever arguable. Mozambicans had begun to see the snags and contradictions; a remarkable range of "cooperants" were de facto more dogmatically and rigidly Mozambican than the Mozambicans - and often more influential.

In the event, RSA's "total strategy" had a Mozambican face of total onslaught via selective sabotage and mass terrorism. It tore economy, society and polity power to carry out civilian functions into shreds. Survival and crisis limitation became central - and often surprisingly

successful given the context. Decentralisation (because of wrecked communications) and sector familial agriculture (partly because the resources to protect and operate large scale were gone) were in principle given high emphasis albeit lack of resources and safe access to much of the countryside limited both and made sector familial support outside peri urban Zonas Verdes virtually a dead letter. Again pragmatic adjustment to crisis preceded rationalisation - or adumbrating of new sets of principles.

By 1985/86 Mozambique was on the verge of economic, civil government and (for the war dislocated) human survival collapse. Diplomatic, publicity and negotiating initiatives raised massive soft resources from 1986/87 onward. These did underwrite survival, halt overall economic decline and - unevenly - halt erosion of government service provision. As they carried detailed policy prescriptions and detailed takeover of operations in Mozambique by foreigners, they did not self-evidently increase Mozambican capacity to prioritize, select, coordinate and as often hampered as speeded Mozambique's own strategy and policy reform process.

Poverty in Mozambique

A priority for poverty reduction began to appear in Mozambican strategy from 1985/86. Presumably it is the only Structural Adjustment Programme ever to open with the stated goal of restoring broad based domestic demand to justify restoration, rehabilitation and expansion of production. However, until 1988/89 that priority remained relatively unfocused and its macro effective demand/production and emergency survival/basic services components were rarely seen as complementary, much less planned together. Oddly a coherent Mozambican formulation and prioritisation process seems to have been catalysed by and interacted with the Bank's emerging (and initially virtually as unclear and unsystematic) Social Dimensions of Adjustment Programme. The bottom line reasons were that unless poor was tightly defined 95% or more of Mozambicans were poor - a somewhat unsatisfactory focus because of its very all inclusiveness - and that data on the parameters of poverty was fragmentary, micro or qualitative, at best approximate and hard to fit into a coherent pattern.

Table 3Poverty in Mozambique

<u>Category</u>	<u>% Absolute Poverty</u>	<u>Number Absolutely Poor</u>	<u>Population</u>
Urban	25-45% ¹	(535,000 (964,000)	2,141,575
Sub-Urban	40-50% ¹	(183,000 (275,000)	457,960
Urban Subtotal	30-50% ¹	(720,000 (1,339,000)	2,599,000
Peri-Urban	40-60% ²	(477,000 (715,000)	1,191,684
Urban/Peri-Urban	33-57%	(1,298,000 (2,051,000)	3,597,000
Displaced	100% ³	1,690,000	1,690,000
Severely Affected	80% ⁴	2,587,000	2,874,700
Other Rural	50% ⁵	3,405,000	6,809,239
Rural-Excl. Peri-Urban	68%	7,682,000	11,374,000
Rural Total	65-67%	(8,159,000 (8,397,000)	12,567,000
Mozambique Total	59-64%	(8,879,000	15,166,000
Refugees	100% ³	1,200,000	1,200,000
Mozambicans Total	62-67%	(10,089,000 (10,936,000)	16,366,000

¹ 30 to 50% range estimated from Maputo and Tete Household surveys. 30% is possible early 1989 improvement following increase in minimum wage of about one third promulgated as of November 1988. 50% in mid-1988 position as surveyed. Sub-urban areas treated as somewhat poorer than urban poorer.

² Rural residents purchasing food from Ministry of Commerce system. Partly standard peri-urban and partly ex-full scale farmers huddled in security zones. Low hectareage for cultivation and limited other sources of income.

³ Not all displaced persons and refugees have high rates of malnutrition or lack of access to health and education. But many do and in terms of other consumption and of income or the possibility of earning it virtually all are absolutely poor.

⁴ These are households which in general have lost almost all assets and have low levels of or opportunity for earned income like displaced persons some have fairly good nutrition levels from food aid and access to basic health and education.

⁵ Conservative estimate based on other low income African countries. Probably higher as in fact includes isolated and bandit enslaved households who are virtually all absolutely poor.

Source: A Pobreza em Moçambique, Prime Minister's Office, Maputo 1989
(Working Team Report written by R. H. Green)

With the 1988/89 exercise leading to A Pobreza em Moçambique the initial elements of a map, a focus, an articulation and a set of potential instruments have begun to emerge. Absolute poverty (roughly the income/expenditure level over 60% of which would be needed to provide a minimum nutritionally and calorifically adequate diet and avert high levels of infant and young child growth faltering) entraps over 60% of all Mozambicans and about 60% of Mozambicans in Mozambique.

Urban was 25% before early 1988 and probably again since mid 1989, with a sharp rise to nearly 50% in mid 1988 related to mis-projected results of policy reforms and their late 1988 adjustment almost immediately that approximate urban poverty data came to hand. Peri-urban absolute poverty is clearly higher, but a range of 40 to 60% is almost a pure guess because food production by peri urban households (which as defined include estate/state farm employees) and effective availability of "fair price" basic food supplies is both very uneven and at any aggregated level virtually "terra incognita".

Rural absolute poverty (in Mozambique) was estimated at about two thirds. This was made up of 100% for deslocados (displaced and in camps), 90% for afectados (displaced, usually only nominally resettled, much less well served by Emergencia than deslocados) and 50% for "other" rural households (many of whom are pauperised but in their home areas or either - as of 1988 - under bandit control and isolated). Later rural surveys showed over two thirds growth faltering for a rather random (in the wrong sense) sample handled by very unusual procedures which should have been broadly "other" rural households. This suggests the two thirds overall estimate may be too low.

Refugees were characterised as 100% absolutely poor. This may not be literally true for those with some access to livelihood abroad but - except under very favourable logistic, climatic and relative linkage conditions - is likely to pertain on their return.

The conclusion was not that poor and not so poor households should be ignored, but that poverty reduction strategy should be oriented toward the absolutely poor majority. Categorising the latter is either relatively easy or infinitely complex depending on detail sought.

For urban about 90% of the absolutely poor households fall in the 20% to 25% which do not have a salario (recorded wage employment) and about 90% of those households are absolutely poor. The other 10% almost all have a single low level salario, limited informal income and above average family size. The minimum wage has since 1986 been held to a purchasing power about equal to two thirds of the absolute poverty line for a 5 to 7 person household and second incomes - usually self provisioning, 'informal' wages or micro enterprise - can in most households bridge that gap unless there is a high dependency ratio. The non-salario households are largely female headed, disabled person headed or (and) aged person headed.

For "other" rural households the key characteristics appear to be access to enough usable land to grow food; access to commercial network to sell produce (food or other); non-farm cash (earned or remittance) income; access to basic health services; degree of security. With some exceptions these currently tend to be more location (sometimes quite small location) determined than related to household characteristics. However, fragmentary observations suggest female headed and high dependency ratio households (overlapping categories but not identical) are more likely to exist in absolute poverty - especially in districts with relatively good security.

Poverty Reduction Strategy

From this preliminary poverty/absolute poverty mapping has come a renewed commitment to allocating priority attention to absolute poverty reduction as a central theme in main government policies, programmes and resource allocations. But with it has come an awareness that the present pattern of all three is structurally warped if poverty reduction is a strategic priority and that many donors, bureaucrats and politicians neither understand the nature of poverty in Mozambique, how it could be reduced nor what changes that would entail. Many in a serious sense do not share the commitment, at least not if acting on it is inconvenient or expensive for them.

Strategically absolute poverty reduction has come to be seen as resting on three pillars:

1. enabling poor (and not so poor) households to produce more;

2. providing growing (toward universal) access to basic health, education and water human investment services as well as more directly productivity oriented extension (agricultural and other) ones plus micro infrastructural rehabilitation;
3. ensuring survival ("safety nets") for those persons and households temporarily or permanently unable to participate in the first or benefit fully from the second.

The first pillar is seen as the most important; but also is the least understood or - except at a superficial verbal level - accepted by bureaucrats, professionals, the "doadores" or the World Bank. Basic services, rural development extension, labour intensive infrastructure rehabilitation, emergency survival and, even, "safety nets" have far wider support bases which do relate to articulated (if often far from adequate) programmes. The concept of production by poor people as a (not the, a) central organising principle for economic policy and action, not as a string of add on, marginal, afterthought projects, has no such core consistency, articulated approach set or asserted (and status conferring whatever the accuracy or generality of the assertions) track record.

An emerging Mozambican view is that enabling poor households to produce more requires:

- a. conversion of Emergencia into Rehabilitacao now that growing security makes that possible;
- b. conversion of donor designed and driven, capital - expatriate - import intensive, project focussed rural activity to broad access, simple package, Mozambican designed and driven (with serious sector familial input and continued donor fuelling) as very tentatively illustrated in the drafts toward a Priority District Programme;
- c. restructuring planning away from its modified Colonial Shopping List/simplified GDR central plan/World Bank Priority Public Investment Programme focus on bricks and mortar to overall coordination of recurrent - capital - rehabilitation - survival resource allocations linked to testing them against objectives and results;
- d. shaping macro economic and sectoral policy to focus on employment creation as well as cost reduction and output expansion (with special

attention - if means can be identified - to the artisanal and micro enterprise urban analogue to the sector familial).

The services steps are more evident and more readily draw on Mozambican and other experience. But the training/retraining/knowledge creation-collection-development barriers are massive and not readily surmounted rapidly nor by the efforts of a few people. This is particularly true of Education whose glossy model hides a near total absence of pedagogical or staff training articulation (or perhaps even prioritisation), as well as of remedial, in service and specialised user oriented training and also implies a continued rapid decline in rural enrolment. Nor - despite successful and recognised examples - is labour intensive public works likely to prove easy to generalise nor to structure to maximise seasonal hiring of sector familial household members.

Safety net limits are seen to be financial, logistical and administrative. Emergencia does - by and large - limit deaths and (less uniformly) avert squalor in the lives of war displaced people. The urban "fair price" (basically non-subsidised) ration system provides a subsidy of 20% to 25% of absolute poverty line requirements in Maputo and Beira albeit its effectiveness without a ration registration system in other urban centres is far less. Experiments with additional targeted schemes show commitment and ingenuity but may become bogged in bureaucratic inability to cope - e.g. category specific income supplements - and/or logistical mechanics - e.g. yellow maize as a subsidised, self selected, "non-preferred" staple.

Expenditure: Levels and Makeup

Mozambique's government expenditure is demonstrably too high, too low and too ill structured to be effective either in achieving development or reducing absolute poverty. The difficulty is not in reaching these conclusions but in identifying ways out of that straight-jacket before it becomes a coffin.

Table 4

Broad Government/Public Utility spending:
Mozambique 1990 vs World Bank LTPS 'Norms'

	A. <u>Mozambique</u> (\$ 000,000)	B. <u>LTPS</u> ¹	C. <u>(%)</u>
Emergency	<u>350</u>	<u>(100)</u> ²	350%
Defence	<u>225</u>	<u>(50)</u>	450%
Other Recurrent	<u>325</u>	<u>900</u>	<u>36%</u>
Total Recurrent	<u>550</u>	<u>950</u>	<u>61%</u>
Capital	<u>375</u>	<u>1050</u>	<u>36%</u>
Total	<u>1275</u> ³	<u>2100</u>	<u>61%</u>
Per Capita	\$ 85	\$ 140	61%

¹ For 15,000,000 Population

² () are interpolated estimates for sectors for which LTPS does not provide specific targets but - implicitly - assumes will exist at some level.

³ Not comparable to formal budgets because of incomplete bringing to budget of external finance. Also not comparable to Total Domestic Resources plus Total Aid because of approximate exclusion of Technical Assistance paid to donor's nationals not entering Mozambique national/external accounts (\$ 200-300 million).

Table 4A

Restructured Public Spending

Possible To 1995*
(\$ 000,000 - 1990 prices)

	Mozambique <u>1995</u>	LTPS <u>Norm</u>	% <u>M/LTPS</u>
Emergency	100	(117)	86%
Rehabilitation	250	-	-
Other Capital	500	-	-
Total Capital	750	1225	61%
Defence	120	(60)	200%
Other Recurrent	560	1050	53%
Total Recurrent	680	1110	61%
Total	1530	2450	62%
Alt. Capital**	500	1225	41%
Alt. Other Recurrent**	830	1050	79%
Per Capita	\$87	\$140	62%

* Assumes 5% annual growth domestic and external revenue and 4.5% resident population growth (including refugee return).

** Transfers Rehabilitation to Recurrent Totals.

Government expenditure - Emergencia, Capital and Recurrent in Mozambique is of the order of \$1,275 million as of 1990. Of that roughly \$900 million is externally provided (including counterpart funds) and \$375 domestic (70% - 30% respectively). Balance fiscally and operationality physically depend on annual fluctuations in external pledges and pipeline flows. Prospects for rapid real increases in external support are poor and there is a danger of emergency funding declining with no parallel increase in rehabilitation, recurrent or capital funding. The \$85 per capita in the three budgets amounts to well over 50% of GDP estimated at \$150 per capita for a resident population of 15,000,000. On that basis the expenditure is unsustainably high.

It is unsustainably low in contrast to the \$140 per capita annual requirement derivable from the World Bank's Long Term Perspective Study adjusted to include rather low estimates for the sectors (including general administration, defence and police and debt service) for which it makes no specific estimates of requirements. Mozambique's 61% of the per capita norm could be argued to be just adequate: the calculations are a late 1990s target and are global for SSA at average per capita GDP. Unfortunately the probability of rapid growth in Mozambique per capita state expenditure to 1995 is low and the bulk of the LTPS' priority items in respect to basic services, agriculture and infrastructure have minimum costs which simply cannot be cut to match lower GDP per capita if initial wages and salaries are at low real levels.

More crucial, the 61% overall achievement of the LTPS norms is very misleading. For emergency survival Mozambique (necessarily as Emergencia is demonstrably too ill funded and equipped to cover all those needing its support) is 350% of the norm, while Defence is of the order of 450% (again demonstrably necessarily to date). Capital and Other Recurrent spending are only 36% of the LTPS targets - a level beyond doubt too low whatever case could be made for the adequacy of 61%.

The highest plausible annual real growth rate for domestic and external real revenues/transfers over the next five years is 5%. That would raise the total to \$87 per capita or 62% - assuming peace allows a massive return of refugees and, therefore, a 4% to 4.5 % growth of population in Mozambique. Evidently structural transformation of expenditure is

essential. With rapidly improving security prospects and realities it is also possible.

Emergencia annual expenditure can be cut from \$350 million to \$100 million if - and without mass pauperisation and large scale loss of life only if - \$250 million can be translated to "Rehabilitacao" to enable war dislocated to restore their livelihoods. That does square with 1987-1989 average Emergencia pledges, but not with the pitiful \$150 million total of 1990. And it assumes donors will loosen the apparent slogan of disaster/survival wings ("Disaster is our bread and butter" as one well-intentioned official put it in a not dissimilar context) to allow emergency survival support to broaden into restoring survivors' ability to produce and/or rehabilitation following and reversing disaster is accepted as a part of "normal development assistance" together with project, programme, sectoral and import support finance. To date that is not happening in the case of Mozambique.

Defence spending - on reasonable prognostications as to the road to peace - can (indeed needs to be for specific defence force related reasons) be cut about 50% with the domestic resources saved in that "peace dividend" re-allocated to basic services and agriculture in the Recurrent Budget.

These shifts would allow Non-Defence Recurrent spending to rise to 79% of LTPS norms including (53% excluding) Rehabilitation and Capital to 41% excluding (and 61% including) Rehabilitation. That begins to be a set of spending parameters which could begin to be viable in terms of output enhancement and poverty reduction.

However it requires recasting the balance between Capital and Recurrent external support and - probably much harder - to recast it away from the isolated capital-expatriate-import intensive project syndrome to goal and policy related, Mozambican input intensive programmes. These two shifts have formal verbal support from a number of donors but - especially in respect to Capital programme recasting - much less evidence of actual shifts. And Mozambican technocrats symbiotically linked to donor professionals and the general weakness of state service capacity create an inertial tendency to crank out more and more "big projects".

The Mozambican Public Service: A Trio of Conundrums

The Mozambican civilian public service is too small, too inadequately trained and too ill paid to perform minimum levels of essential services at acceptable standards of quality and breadth of access to customers (or taxpayers or citizens). At the same time the budgetary wage and salary bill of perhaps \$50-60 million for civilian employees is barely financeable now.

Mozambique's total public service of about 200,000 is roughly at IMF calculations of the norm for a very low income country of 15 million population. Its civilian public service of 105,000 to 110,000 is between 60 and 63% of the normal size. Within it the makeup relative to a rough Anglophone SSA distribution pattern is even more striking with Education and Health 73% to 90% of the typical range but all other sectors in the 35% to 50% range. This appears to include General Administration contrary to the rather erroneous (whimsical when viewed from inside the governmental apparatus) view that Mozambique is "over-administered".

It is quite valid to argue that 20,000 odd present posts (mostly at low support service levels) could usefully be eliminated. The number of presently unqualified post holders is probably 50,000 to 60,000 (excluding holders of superfluous posts) of whom perhaps 10,000 cannot be trained and need to be retrenched - in the public, including the absolutely poor majority, interest, if not in their own as a very vulnerable group. But at a rough guess 30,000 new civilian posts plus massive (40,000 to 50,000?) upgrading training are needed by 1995 (and are not systematically identified or articulated to date) so that net spending increases net savings are needed even at present real pay levels.

The real pay levels are inefficient. Especially at the bottom end they do not allow - much less motivate - workers to work full time or hard. They have to earn second incomes to survive. And, especially at the top end, they are so low (\$150 to \$200 a month) as to lead both to loss of morale and to loss of the best personnel. Ironically at the very top the chief "winners" are aid agencies, who via direct hirings, private Mozambican consultants and "topping up" civil servants' pay to buy their time for the toppers' - not the governments' - priorities, are rapidly decapitating the Mozambican government and public service.

Table 5

Stylized Public Service Employment - Lo Income SSA/Mozambique

	<u>'Norm'</u>	<u>Mozambique</u>
Total Civilian ¹	175,000 - 200,000	105,000 - 110,000
Education	40,000 - 50,000)
Health	20,000 - 25,000) 55,000
Works ²	20,000 - 30,000	-
Agriculture ³	15,000 - 20,000	-
Water ⁴	5,000 - 10,000	-
General Admin.	30,000 - 40,000	(20,000)
Interior ⁵	20,000 - 25,000	(5,000)
Other ⁶	20,000 - 40,000	(25,000 - 30,000)
Armed Forces ⁷	25,000	100,000
Grand Total	200,000 - 225,000	205,000 - 210,000

¹ Includes (nominally) strictly civilian police. Very hard to identify in practice.

² Includes govt. construction/maintenance capacity which may be listed under housing or transport.

³ Includes Livestock, Forestry, Fisheries, Wildlife, etc.

⁴ Human, Livestock, irrigation.

⁵ Civilian police, prisons, immigration, etc.

⁶ In the first column Specialised Admin. (e.g. Finance, Planning), Other Sectoral (e.g. Industry, Commerce, Energy Transport and Communication) and in the Mozambican also Works, Agriculture and Water.

⁷ All military/para military forces - however titled - on state pay-roll. Nominally excludes staff National Service used as socialisation or training corps which should be in "Other" or "Education", while the enrollees should be classed as students.

Table 5A

Restructured Public Service Employment

Possible To End 1995

Total Civilian*	120,000	+10,000
Education/Health	60,000	+ 5,000
Admin/Interior	25,000	-
Other Civilian	35,000	+ 5,000
Armed Forces**	30,000	-70,000
Total Public Service	150,000	-60,000

* Assumes 20,000 posts cut and 30,000 added. Up to 10,000 employees sacked/replaced and 50,000 receiving remedial training.

** Reduction via demobilisation of 70,000. Requires parallel 95,000 household economic rehabilitation/social reintegration programme for these 70,000 plus 25,000 ex-bandidos.

Realistically a 30% increase at the bottom - to the minimum "efficiency" wage estimated at not less than 80% poverty line expenditure coverage - and 50% to 100% at the top is urgently needed. How to find the \$40 million annually needed is a question with no easy answer. Maintenance, equipment, mobility and operating input levels are already much too low absolutely and relative to staff so no re-allocation from them could be efficient. Large short run revenue windfalls - foreign or domestic - are unlikely; in contrast cloud-bursts like the extra Gulf War oil bill, the return of us to 15,000 workers from Germany and the cessation of Soviet petroleum oil are all too likely.

One approach would be for donors to redirect 10% to 15% of the \$200 to \$300 million they spend annually on their own cooperants salaries plus the \$20 to \$30 million they use to buy up Mozambique's scarcest resource. That would yield \$40 to \$75 million a year to fund a Mozambican designed and donor agreed incentive structure including wages and salaries, retraining and support for public servants' self help house construction. The effects on Mozambican public service capacity could be dramatic and cumulative reducing the 'need' for cooperants by rather more than 15%.

More broadly public service restructuring turns on reaping the peace dividend by demobilising 70,000 odd from the Armed Forces and rehabilitating their civilian livelihood prospects as well as re-integrating them into civil society. To that 70,000 must be added 25,000 odd ex-bandidos armados. If that can be done, the 1995 public service could be cut to 150,000 (versus 210,000) of which 30,000 Armed Forces (versus 100,000) and 120,000 civilian (versus 110,000).

The case for a rehabilitation/re-integration programme is not simply humanitarian (indeed for the ex-bandidos, humanitarian priorities would point otherwise). It is brutally pragmatic - to demobilise men with guns into pauperism is to ensure either an instant coup or an instant tidal wave of 'self help' banditry. Mozambique can afford neither. Training, an interim national service corps, demobilisation benefits and agricultural livelihood enabling programme components can be identified. So can the domestic finance in the longer term (defence savings). Articulated programmes, staff identification - training and interim finance are, at present, the missing components.

Table 6Rehabilitacao Clients 1991 - 1995

Year ⁵	Returning Refugees ¹ <u>(000)</u>	Returning Descolados/ Afectados ²	Pauperised In Home Districts ³	Demob- ilizados ⁴	Total
1991	250	250	250	100	850
1992	250	500	250	100	1,100
1993	250	750	250	100	1,350
1994	250	750	250	100	1,350
1995	200	750	-	50	1,000
Total	<u>1,200</u>	<u>3,000</u>	<u>1,000</u>	<u>450</u>	<u>5,650</u>

¹ Total refugees (including non-recorded, RSA, Swaziland) perhaps 1,300,000 - 1,400,000.

² Total of the order of 4,500,000 including 'former' afectados only nominally resettled (e.g. on tiny, infertile plots).

³ Total probably exceeds 2,000,000 largely in Zambesia, Manica, Nampula.

⁴ 90,000 + 360,000 household members (70,000 Mozambique armed forces, 20,000 ex-bandidos).

⁵ Timing by year is very tentative. The less the support available the fewer the persons able to move/rehabilitate and the poorer the crop (e.g. 1990/91 season for 1991) the fewer able to move on their own and with help of relatives in district, i.e. the higher the % of those returning needing Rehabilitacao support.

⁶ Assumes "self help" rehabilitation by up to 2,500,000 persons. Largely in Notes ², ⁴.

Table 7

Rough Rehabilitacao Costings: Direct Support
and Physical Infrastructure Reconstruction
(\$ 000,000 - 1990 Prices)

	<u>Direct Support</u> ¹	<u>Infrastructure Rehabilitation</u> ²	<u>Admin- istration</u> ³	<u>Total</u> ^{4, 5}
1991	73	15	9	97
1992	102	34	14	150
1993	128	57	19	204
1994	131	65	20	216
1995	102	63	17	182

¹ Costed at \$500/household returning Year 1, \$50 Year 2, \$25 Year 3. (Transport - Food - Basic Tools - Basic Inputs - Logistics at \$50, \$250, \$75, \$75, \$50 in Year 1.)

² Costed at \$100 per household returning for 3 years. (50% wage payments to rehabilitacao households, 5% identification/design/15% supervisory and skilled labour/10% tools/20% basic inputs).

³ 10% of other expenditure.

⁴ Excludes Basic Services (including Agriculture directed to Sector Familial and Rural Commercial Network) except for small infrastructure rehabilitation.

⁵ Excludes interim and special training costs of demobilisation as well as terminal payments to demobilisees.

Rehabilitation - Winning The Peace

The war is being won. Painful step by painful step security is returning to rural Mozambique - not fully, not always irreversibly but cumulatively and so far as the bandidos armados are concerned irreversibly. The prospects of peace and of a peace dividend - and, more to the point, how to win it, should be in the air and on the drafting boards.

Unfortunately Mozambique has been so battered for so long that exhilaration is still absent - partly from fear of false dawns past; partly from the present burdens of survival and crisis management; partly because the lesson learned over 1983-86 of not planning for the medium term economically without attention to a grim set of security constraints has been learned too well and too narrowly, but largely from sheer exhaustion. Ironically this seems almost truer of donor representatives than of Mozambicans especially at strategic planning level.

Mozambique has set out strategic targets summarised under the rubric return to the countryside. Some Ministries - notably Health - have gone far in elaborating, budgeting (more in a real resource than a financial sense), developing tactics and making a start. Others - notably Education - have not. In Agriculture the transformation interacts with the aborted (by war and resource constraints as well as donor and domestic vested interest in the large scale, hi-tech, hi-import, hi-cooperant enclaves) transformation of priority to the sector familial and with the somewhat ill-meshed twin goals of "building on the best" and achieving universal access.

("Socialising the countryside" has been a mantra devoid of content for some years and now is rarely even incanted given the fatuity and failure of lo-tech communal cropping and the bureaucratic, autonomous/anarchic, capitalist, incompetent reality of most of the state company/donor project sector.)

But the core of the challenge relates to the future of the war dislocated - probably between 7,500,000 and 8,000,00 including refugees, dislocated persons in facilities, severely affected persons out of their home areas and wishing to return, households pauperised by war but still in their home areas and potential demobilisees and households. Unless these households can restore their livelihoods, rebuild their homes, restore their basic social units, the peace will be as bleak as the war - and rapidly disintegrate into conditions of insecurity as well as grim poverty. This

is especially true because peace will take the febrile attention of emergency aid units and donors more generally away from Mozambique (witness the dramatic 1990 fall in Emergencia pledges) so that the end of free rations in deslocado and refugee camps may mean starvation not rejuvenation.

That is why Rehabilitacao has become a central - if very vaguely articulated - theme in Mozambican perspective strategic planning (which to date is very loosely related to the Priority Three Year Investment Programme planning setpiece - a fact Planning sees very clearly and is seeking to remedy). Of the order of 5,500,000 of the war affected persons can re-establish their livelihoods only with significant enabling support. Up to 2,500,000 may be able to do so with the help of relatives and neighbours (as 150,000 to 200,000 are doing in 1990). Even these will have much better prospect if frame basic service restoration and small scale infrastructure rebuilding programmes related to re-empowerment to produce for the 5,500,000 are achieved over 1991-95.

In broad terms the requirements are fairly clear cut:

- a. transport, food until harvest, bush clearing plus cultivation plus home building tools, basic working capital inputs (seeds, poultry, small stock, household utensils) for returning or pauperised in place households;
- b. rural works (roads, bridges, schools, clinics, small scale irrigation, water) restoration on a district identification, provincial works organised basis using labour intensive methods and organised seasonally to allow the returning war affected to earn cash incomes over the first three years before marketable surpluses above household self-provisioning are large (or in some cases logistically moveable);
- c. restoration of basic human investment (health, education, water) and productive (agricultural and other extension) services and of the rural commercial institutional and logistic infrastructure.

The first two elements do need special design, coordination and use of Emergencia logistical institutions notably DPCCN and Agricom. They are costable (at least roughly) reaching perhaps \$200-225 million in their peak year. The real challenges are articulating, organising allocations of

institutional and logistical capacity and restoring total Emergencia/Rehabilitacao external support to the old Emergencia pledges plateau of \$350 million a year. The third element is part of overall - largely recurrent - programme transformation and of strategic planning and articulation. That issue is recognised and is englobed in Public Expenditure and Public Service reviews, albeit with (as noted) very uneven progress to date.

The Priority District Programme - An Attempted Breakthrough

The PDP is a centre piece of Mozambican attempts to transform planning and policy making - to focus on production by poor people; to enable the sector familial; to coordinate (not integrate) different programmes using local civil society guidance and inter-operational unit coordination; to shift from isolated, hi-user cost projects - largely Capital - to broad access, lo-user cost programmes - largely Recurrent; to recapture design initiative and operational control from doadores/cooperantes and to balance the necessity of a breakthrough toward universality with the constraints of very limited resources and probably possible breadth of initial coverage at minimally acceptable starting quality levels. It is this set of issues as embodied in an initiative - and the barriers they have confronted - that is of more interest than the details of the PDP proposals.

First, articulation has started from district baseline data and targets with not insubstantial local inputs including some consultations with sector familial households (almost unheard of in Mozambique for officials or cooperantes). But it has tended - partly to please donors and partly from habit - to gloss over programmes (especially a Works one analogous to - indeed the source for - the Rehabilitacao proposals and enabling the largely private and co-op rural commercial network to revitalise itself) and to provide wedges of data on not necessarily relevant historically available small project proposals.

Second, data and personnel gaps are recognised (e.g. any detailed data on time use, budgets, gender division of each, technical practices of the sector familial by district or overall) but specific proposals on how to build a step by step programme to overcome them are lacking.

Third, the selection of 40 Priority Districts englobing perhaps half the rural population has become a hard number rather than a symbol of starting at a manageable level (10 or 15 in year one?) and moving steadily first to 40 (year 3?) and then on to all 128 (year 8?).

Fourth, the involvement of ministries (despite a high official level operational working group and leadership first from Agriculture and now from Planning) has been very uneven. With national and provincial macro and provincial and district operational coordination (not an integrated parallel authority) central to the PDP concept's implementation, this has evident risks.

Fifth, the deep distrust of cooperantes' and doadores' dominance has meant too few middle level, experienced articulation support professionals have been available with severe cost to credibility, speed, articulation and completeness.

Sixth, doadores have reacted in two quite different - but both basically unhelpful - ways. One has been to 'improve' the PDP by narrowing it to agriculture and to a few districts while raising intensity, cost, hi-level necessarily cooperantes) intensity and focus on capital and technocracy. Useful or no, the result is not an improved PDP but a different project. The other has been to call for a participatory Utopia (apparently led by Platonic Utopian cooperant neo-Platonic Guardians, albeit the critics of this branch do not seem to realise this implication) and to misread the PDP as a hi-tech-bureaucratic parallel authority scheme rather like their own past agricultural sector initiatives in Mozambique rather than as an attempted transformation based in large measure on Mozambican reaction against them.

Seventh, Mozambique's decision taking capacity and flexibility far outstrips its professional, let alone bureaucratic and administrative, back-up. As a result a coherent strategic initiative concept paper on the PDP was presented at the 1989 Consultative Group meeting. A relatively weak first draft articulated (partial) programme paper did not appear until March 1990 and neither effective response to either branch of doadores critique nor a strengthening of the March paper had progressed far by late 1990.

One way forward might be to concentrate on the simpler and more desperately urgent Rehabilitacao over 1991-92 and - using the time gained and the experience of Rehabilitacao - to refine and articulate PDP for a 1993-2001 launch/build-up to 128 districts. The danger in that is perpetuation of the present pattern of large, largely irrelevant uses of external resources and domestic policy attention on a handful of ultimately largely rather irrelevant (to most Mozambicans or to overall production in this century) showpiece, isolated projects and to reinforce the power of the bureaucracies and technocracies, whose empires they are as well as their symbiotic linkages with interested doadores, technocrats and salesmen (of ideas as well as goals. As these Mozambican-External enclaves are major barriers to coordinated strategic decision taking, a coherent planning and policy process, or any acceptable (from Mozambican national goal perspectives) resource allocation pattern, that cost is not trivial.

Beyond Agriculture: Wages, Employment and Productivity

Because in 1986 when Economic and Social Reconstruction Programming began only urban Mozambique plus perhaps a quarter of rural was secure, economic rehabilitation to date has focused on the non-agricultural and, in effect, urban economy. Rehabilitacao and PDP would mark a break with that history but would not reduce the importance of the urban and non-agricultural sectors. Indeed, by restoring their hinterlands, markets and sources of supply to these sectors they should make their recovery faster and less difficult.

Enabling absolutely poor urban households to earn enough to escape from that state and averting vulnerable households from being plunged into it depends primarily on the interaction between formal employment levels and the real minimum wage and secondarily on the number and productivity of artisanal, agricultural (Zonas Verdes Plot linked) and other "informal" employment/self-employment opportunities. The two interact because while up to 80% of urban Mozambican households have at least one formal sector job (about 20%, at least in Maputo, have two) virtually all also have other sources of income and need them to achieve socially acceptable consumption financeability.

From 1987 the real minimum wage (salario minimale) has - as a matter of policy - been held at two-thirds the absolute poverty line for a household of 5 or 6 (even though the link is not expressed in that precise form). If it fell - as it did for some months in 1988 - the numbers in absolute poverty would rise sharply. As there is little reason to suppose a lower real wage would result in lower unit of output labour costs (i.e. real cost per worker would be offset by lower productivity - or higher klepsi klepsi - per worker) there is no cost efficiency or employment expansion argument of much significance against this socially crucial position.

Formal sector employment expansion prospects are poor. Given undercapacity past and present operations and the need to restructure a number of large enterprises (not all public), a 6% urban economy growth rate is unlikely to generate more than a 1% to 2% net recorded employment expansion. If labour intensity is built into projects (as it is being in the World Bank financed urban renewal project at least in respect to street rehabilitation) and programmes (as it has been in the restart of Maputo City sanitation/rubbish collection) that might bring the growth of formal sector urban employment to 3% to 4% - barely adequate to hold the ratio of recorded wage employed to households constant.

The one very successful informal sector programme is that of Zonas Verdes (which are also particularly enabling for women and female-headed households). Originally designed to provide staple food self-provisioning plots, these are - as the economy, food availability and access to rural areas recover - converting themselves into market gardening areas with growing self-organised co-op roles. Both nao salario and large salario minimale households with productive plots are likely to be able to stay above the absolute poverty line - at least in Maputo.

The balance of the informal sector is characterised by lack of homogeneity, lack of data and lack (partly consequential, partly inherent) of known operational means to help enable it to expand. The return of security will help because artisanal informal sectors in SSA do depend on contact with their rural hinterlands which has been severely constrained since 1982 in Mozambique. What other factors actually constrain artisans and other micro enterprises are not known - tools? Inputs? Particular skills? Working capital? Actually enforced (as opposed to unenforced rule-book) regulations? The first steps to a programme seem likely to need to be

The problems are personnel (especially retraining or replacing many present post holders), finance and fees. The last at present do not yield significant revenue but do lead to significant access and administration problems (the inverse of their advocates vision!). Whether more flexible, community linked resource mobilisation - now being experimented with in respect to community health worker (APE) re-establishment and to be experimented with in respect to standpipe (fontenário) water provision to non-high rise (canico or canissa) zones of Maputo - will enable such fund raising from users to be part of the answer - as opposed to an additional, and largely self-inflicted part of the problem - remains to be seen.

For the recorded employment sector, a relatively standard and potentially relatively adequate social security (retirement, disability, illness) mechanism is being put in place. Beyond that, few more safety net additions appear practicable except, perhaps, specialised national or local Mozambican (or foreign) NGO led and financed ones. Mozambique has enough concern to give priority to providing resources intended to ensure decent survival safety nets. Beyond making these work better, neither the financial, the data base, the institutional nor the personnel can be made available in the foreseeable future. Or as one not unsympathetic but exasperated professional has put it in response to well intended conceptualizations toward a complex, flexible, caring, dense safety network on North European lines, "Maputo is not Malmö".

Doadores and Cooperantes: Decapacitating Driving or Fuelling Capacitation?

Mozambique - including its state and public services - cannot survive without massive (absolutely and relative to total resources) external support plus substantial numbers of middle and high level expatriate personnel. But the ways in which these have come to be provided decapacitates the state and removes operational responsibility for/control over large chunks of the public sector from Mozambican hands. This is a recipe for mutual frustration and for collapse when external supporters become tired of the perpetual dependence and decapacitation, which, their own approaches now ensure, and withdraw or sharply reduce their financial and personnel inputs.

The problem does not turn primarily on will to dominate - albeit Platonic Guardianship is an omnipresent subliminal ideology of most donors (and most development studies analysts!), however much they try to curb it. However, the facts of financial dependence and limited numbers of first rate strategic designers and negotiators raise the danger of domination even when not desired by donors. Nor is the problem basically donor self-interest - in exports of goods or people. That is a uniform factor not special to Mozambique and while inefficient (if development by the recipient, however defined, is the main goal) is usually containable. Nor is it sheer numbers of cooperantes - 3,000 strictly defined or 5,000 including other high level expatriates Botswana has at times had almost as many absolutely and over ten times as many but has kept firm Botswanan control over strategy, policy and public sector operations.

The basic roots are partly historic and partly relative strengths. In high and middle level personnel, independent Mozambique inherited perhaps a tenth of the already low numbers in colonial Mozambique. Both in respect to professionals and managers/administrators it needed an abnormally high initial proportion of expatriates. So long as they appeared to "do the job" there was a tendency to let them operate virtually autonomously without adequate briefing, guidance or ongoing accountability. With the war emergency adding to tasks to be done and training/retraining proceeding less rapidly than anticipated, this tendency mushroomed. To "get the job done" donors acted - often with full Mozambican approval - on their own or through units only nominally within or accountable to the Mozambican decision taking process and still less to Mozambican public servants. This came to be true even of cooperantes apparently in units within governmental agencies. Aggravating this trend was the rising dependence on external funding. On the one hand it led to cooperantes and senior Mozambican public servants going directly to doadores for support, by-passing Mozambican decision taking and resource allocating channels and presenting (often welcome) faits accomplis when their requests were met. In addition it weakened Mozambique's ability either to say no to unwelcome proposals deemed (often with reason) to be unsound or to reject amendments viewed (often with reason) to distort the intent of Mozambican proposals.

A particularly damaging set of developments lie in direct grants to projects (preventing any budgetary transparency or coherent resource allocation) and enforcement of multiple, external reporting procedures on

foreign finance (given scarce accounting and reporting talent, totally preventing establishment of functioning national budgeting/financial control/reporting/planning systems).

The diagnosis may help identify steps toward treatment:

1. Place cooperantes primarily in Mozambican run institutions regularly reporting and accountable to Mozambicans (at managerial and professional, not just Ministerial, levels) in fact as well as form;
2. Phase cooperantes out of line posts and into support services, training and professional advisory ones as rapidly as feasible;
3. Redress the "have a headache? Take two expatriates!" syndrome without falling into its mirror image "have a pain in the neck? Take/push two expatriates out!" Less cooperantes, a different make-up of posts, more accountability to Mozambicans and more Mozambican involvement in selection are needed, but not generalised pro- or anti-cooperante premises which provide little appropriate guidance in any specific case;
4. Serious concentration on supporting training (including retraining) of Mozambicans on the basis of Mozambican designed and articulated requirements in Mozambique. (Overseas training by ones and twos cannot in most cases meet needs at manageable costs and is, in any event, not suitable for retraining while continuing on the job.);
5. Accepting an agreed single Mozambican accounting and reporting/monitoring framework for all external inputs (as part of a national planning-budgeting-accounting-monitoring frame) with conversion to doadores' preferred formats (including supplementary data collection) their responsibility;
6. Greater readiness by doadores and cooperantes to accept that Mozambicans do know a great deal about Mozambique which outsiders do not and of the wisdom of the Duke of Wellington's standard observation both as a military and political commander, "I may very well be wrong".

To state the steps is also to show the difficulties of taking them. A host of external and domestic vested interests do, and will continue to oppose them. Many of the present relationships are convenient and - in a short

term sense - do work. The changes in styles of doing business and in outlook a more capacitating, cooperating, Mozambican centred approach would require of Mozambicans as well as of their partners would be major, painful and, at first, uncertainty and transitional cost generating.

The hypothesis that Northern NGO's are able to avoid the patterns cited does not, in general, hold up in Mozambique. They are, in practice, even harder to coordinate within any overall Mozambican framework and even more prone - with a few exceptions - to by-pass their Mozambican NGO and civil society counterparts than governmental agencies are to by-pass the Mozambican government. The problem of imbalance of financial and personnel resources may be less at NGO-State level but is, if anything, even greater at Northern NGO-Mozambican NGO, civil society body or decentralised government unit levels. NGOs may well be part of the answer, but only if it is recognised that they are today a not insignificant part of the problem.

Poverty, Rehabilitation, Capacity and Governance

Mozambique's political system has held up surprisingly well in the face of war and both economic and security unsuccess over the past decade. Interest and participation - doubtless especially, but not only, in towns and among those who are not absolutely poor - was again demonstrated in the processes leading to the 1989 Party Conference and the 1990 adoption of a new Constitution.

But that success could very well crumble at the onset of peace - if capacity to restore livelihoods and basic services does not increase fairly rapidly. During the war decade, the failures of the government (by omission or even commission) could, not unreasonably, be seen as the result of South Africa's "total onslaught" via its bandidos armados. As such they had limited general (as opposed to for some social groups and in some rural areas) corrosive impact on acceptance or support of the state at least in the sense of creating active opposition. But they did lead to lower expectations, a sense of fatalism and withdrawal (or isolation) from the government and the political process on a far wider level. Unless the ability of the state and the public services to deliver can be, and be seen to be, growing again that tendency of withdrawal will grow rapidly and will

seek alternatives in the political realm to what it sees as a broken backed, discredited by non-results state and public service.

Thus in Mozambique the purely professional and technical aspects of better governance are of prime importance. The professional capacity to account is at least as much a gross limitation on accountability as the various routes of escape from accountability more commonly highlighted. And in rural areas ability to deliver livelihood rehabilitation support, basic services and infrastructure rehabilitation plus a functioning commercial network will count for more than the degree of autonomy of Districts from Provinces or the exact procedures for electing Popular Councils/Assemblies at either level.

Mozambique is one of a group of SSA states with relatively participatory, relatively public interest and poor majority oriented states/governments with a record of - at best - very limited economic and social success and very constrained government operational (human, institutional and financial) capacity. In them there is a very real danger of some form of cargo cult populism winning broad support. It is likely to be an alliance of elites who are very market (meaning in practice markets manipulated by them) oriented, despairing trade unionists, excluded absolutely poor people hoping for a chance and exclusivist nationalists reacting against what they perceive as doadores/cooperantes and minority (citizen) community rule. The degree of actual priority to poverty reduction is likely to be very low and the apparent high respect for technocrats to be either in quite limited roles or neo-corporatist. Given the inherent contradictions in the alliance components' interests, the desire to be seen to change things, the unchanged capacity limits on the government/public sector and the probable alienation of external cooperating partners, the results are unlikely to be particularly happy for most Africans.

The problematic is not one primarily of broad church, relatively internally competitive single (or permanently governing) versus multi party systems. The cargo cult populist potential can win power in either, albeit for historic reasons it is sometimes (e.g. Zambia, Tanzania) associated with multi party advocacy. For that matter in less open systems, it could form the basis or the rationalisation for a coup (one reading of the Doe regime's coming to power). It is very much one of capacity to deliver. Non-success is never permanently politically saleable and an untested

alternative cannot by its nature be proven ex ante to be decapacitating by a political leadership with (for whatever reason) a demonstratable record of low capacity to deliver.

Some Reflections on Contextual and General

Mozambique does illustrate the pitfalls of articulating and applying specifics without grounding in contextual frames. But that, perhaps, is already becoming conventional wisdom at least at analytical and senior policy maker levels.

What may be more interesting is the recurrence of several organising principles and themes which are hardly new to development thinking but have tended to fall out of fashion:

1. public finance and especially allocation patterns;
2. public service numbers and make-up;
3. coherence and coordination in analysis, decision taking and articulating action;
4. enabling poor people to produce more and to have access to the supporting services needed to do so (Robert Macnamara's "absolute poverty eradication" and the ILO's "basic needs/"employment" focuses revisited);
5. security (law and order is not sufficient for development but its absence is sufficient to ensure disintegration);
6. the importance of rapid post war rehabilitation (the Marshall Plan, broadly defined, including its European initiatives and operational decision taking, revisited);
7. the need for any government to have a capacity to deliver if its political system is to prove viable (the technical, albeit not the political/inegalitarian, half of the "development state" dialogue and the "public administration" focus revisited).

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In one sense the reappearance of these "old friends" is reassuring. It does imply that - given proper contextual and historical grounding - there are tools for analysing, conceptualising and acting to reduce Mozambique's problems and, at least in part, to rise to meet the challenges facing its government and people. In a different sense it is much less reassuring. The need to "rediscover" results from the exceedingly fashion conscious nature not only of development studies (which might or might not matter) but also of development practice. The new is rarely added to the old but replaces it; a new grand design is usually preferred to refining the old. As a result, knowledge, experience and capacity tend to become sequential, not cumulative - possibly not the pattern most likely to be conducive to sustainable development. Least of all are fashion oriented over swings and returns likely to help build up capacity in a context of institutional fragility, knowledge and personnel scarcity and financial/foreign exchange constraint. Perhaps Alfred Marshall's dicta that nature makes haste slowly and that the failure of hot aspiration leads to cold reaction have more relevance to development processes than has usually been supposed.